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STATISTICAL SUMMARY

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

WASHINGTON, D. C.

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Citrus Estimates Down

Last month's weather was unfavorable for citrus. U. S. orange production, '48-49 season, now estimated at 100 million boxes; grapefruit 48.4 million boxes...both down 13 percent or more from January 1 indications. '47-48 orange crop totaled 110.4 million boxes; grapefruit 61.6 million. Oranges available for harvest after February 1 this season about 68 million boxes, compared with 77 million year ago. California lemons forecast at 8.9 million boxes compare with 12.9 million last season. The bad weather was mainly in the West where most of the reductions took place. Florida citrus prospects saw little change.

Livestock Numbers Continue Decline, But Less Last Year Than in Recent Years

Annual inventory shows livestock and poultry on farms continued to decline in '48. Numbers were the lowest since 1939 and have declined steadily since the all-time high of January 1944.

The decline, however, was less last year than in any year since numbers started downward.

The changes during the past year were not the same for all species. While livestock and poultry, over-all, shows a 1 percent decrease, cattle numbers were up slightly, hogs showed a modest increase, and turkeys were up sharply. Main declines were in sheep, work-stock, and chicken numbers--all smaller at the end of the year than at the beginning.

All cattle January 1 totaled 78.5 million head, up from the 78.1 million year ago but down from the 85 million head 5 years ago.

Hogs January 1 totaled 57.1 million head, up from the 55 million year ago but down from the 83.7 million head 5 years ago.

Turkeys January 1 totaled 5.5 million birds, up from the 4.4 million year ago but down from the 7.4 million birds 5 years ago.

All sheep January 1 totaled 32.0 million head, down from about 35 million year ago and 51 million head 5 years ago. Sheep numbers are at an all-time low.

Horses January 1 totaled 5.9 million head, down from 6.6 million year ago and 9.2 million head 5 years ago. Mules totaled 2.4 million head, down from 2.5 million year ago and 3.4 million head 5 years ago.

Milk cows January 1 totaled 24.4 million head, down from 25 million year ago and 27.7 million head 5 years ago. Chickens totaled 448.8 million, down from 461.6 million year ago and 582.2 million 5 years ago.

Storm Losses Smaller Than Expected

Some 81 thousand cattle and 97 thousand sheep were reported lost from the snow storms in South Dakota, Nebraska, Wyoming, and Colorado to February 1. heavier damage had been feared. Losses amounted to about 2 percent of the cattle and 5 percent of the stock sheep in the areas surveyed. Some additions to these death losses, together with weight losses for both cattle and sheep, are expected. Most of the animals for this year's meat supply were in States that have not been greatly affected by severe winter weather.

Above Average Milk Production

Milk produced in January was up from a year ago. It also exceeded the '38-47 average for the month. Estimate is 8.7 billion compared with 8.4 billion in January, year ago. Record high rate per cow more than offset a decreased number of milk cows on farms. Milk production per capita, however, was low, averaging only 1.89 pounds per person, per day. But for the 1.85-pound average a year ago this is the lowest per capita January rate since '38.

Delivered Milk Prices Take Another Small Drop

Retail prices of standard milk delivered to homes in 24 major cities early in February averaged 21 cents per quart, two-tenths of a cent lower than in January but one-half cent higher than in February '48. The decline in price reflects lower producer prices for fluid milk in large city markets, located chiefly in the North Central and Northeastern parts of the country. Nearly one market in every six reporting indicated a reduction in the retail price. The decline of two-tenths cent per quart in 24 large cities is the third consecutive decline of this

amount. Average price for home-delivered milk in this group of cities was at an all-time peak of 21.6 cents per quart in September, October, and November of '48. Cumulative decline since November is six-tenths of a cent per quart. (For details, see BAE's "Fluid Milk Prices in City Markets," Feb. 16.)

High Egg Production for the Month

Smaller number of layers in January was more than offset by a record high rate of lay for the month. The 4.6 billion eggs laid in January exceeded production a year earlier by 6 percent, and exceeded '38-47 average for the month by 29 percent. Production was up from last year in all parts of the country except in the West where weather was bad. Nation's farm flock in January averaged 377.3 million layers, about same as 10-year average but down from January last year by about 3 percent.

Fewer Chickens Than Year Ago

All chickens on farms January 1, excluding commercial broilers, totaled 448.8 million--3 percent less than year ago and 6 percent below 10-year average. Pullet holdings totaled 268.3 million--down 6 percent from a year ago. About 14 percent fewer chickens were raised in '48 than in '47, but farmers saved a larger proportion of pullets than usual.

Record Output of Chicks

Chicks continue to be hatched at a high rate. The 80.9 million produced in January exceeded hatchings January last year by 54 percent and the '43-47 January average by 48 percent. With favorable feeding ratios, demand for broiler chicks and farm flock replacement is good. Mid-January egg prices were only 3 percent below those of a year ago, while cost of a farm poultry ration was down 29 percent. Big February hatch also is expected. Number eggs in incubators February 1 was up 32 percent from a year ago; and chicks booked for March delivery was up 59 percent. (Hatchery Production Report, released by BAE Feb. 15, gives hatchings by States and average prices received per hundred for chicks.)

Turkeys Bring Record High Prices Storage Stocks Down From Year Ago

Turkeys, liveweight, averaged 49.3 cents pound, mid-January compared with 38.9 cents year ago and an average of 24.5 cents. The mid-January price was highest for the month in 40 years. Storage stocks of turkeys January 1 totaled 51 million pounds. A year ago, 83 million pounds were on hand.

Farm holdings of turkeys January 1 numbered 5.5 million birds--up 23 percent from a year ago but down from 10-year average by about the same percentage.

PARITY PRICES FOR FARM PRODUCTS AND ACTUAL PRICES RECEIVED

COMMODITY AND UNIT	ACTUAL PRICE		PARITY PRICE
	Dec. 15 1948	Jan. 15 1949	Jan. 15 1949
Wheat, bu.	2.05	2.02	2.19
Corn, bu.	1.23	1.25	1.59
Peanuts, lb.	10.5	10.5	11.9
Cotton, lb.	29.63	29.27	30.75
Potatoes, bu.	1.54	1.66	1.81
Hogs, 100 lb.	21.10	20.10	18.00
Beef cattle, 100 lb.	20.50	20.00	13.40
Veal calves, 100 lb.	24.90	25.10	16.70
Lambs, 100 lb.	21.90	21.90	14.60
Butterfat, lb.	65.7	65.7	2/67.7
Milk, wholesale, 100 lb.	1/ 4.80	4.61	2/ 4.20
Chickens, live, lb.	30.7	30.7	28.3
Eggs, doz.	52.8	47.1	2/55.4

1/ Revised.

2/ Adjusted for seasonal variation.

Chicken Prices, Also Up

Liveweight chickens brought 30.7 cents a pound average in mid-January. Price year ago, 26.3 cents; 10-year average, 19.3 cents.

Feed Cost Down 29 Percent

U. S. farm poultry ration cost \$3.62 per 100 pounds, mid-January. This was same as a month earlier, but was 29 percent below January a year ago. The egg-feed, chicken-feed, and turkey-feed price relationships were all more favorable than a year ago.

Flue-Cured Averaged 49 Cents
Burley Tobacco, about 41 Cents

Prices for flue-cured tobacco averaged better than 49 cents a pound past season compared with 41.2 cents for the previous season.

Burley--also about all harvested--is averaging 46 cents compared with the record 48.5 cents for the '47 crop.

Much less flue-cured has been placed under Government loan this season than in the '47 season. Relatively more Burley was placed for loans.

New Record in Cigarette Production

388 billion cigarettes were made in '48, topping '47 by 18 billion. Consumption of cigarettes will continue high in '49 and may exceed '48.

Retail "Market Basket" Continues Lower Farm-Value Decline Appears Halted

Family "market basket" retail cost has continued to decline since reaching an all-time high of \$708 last July. By mid-December the retail cost had declined about 6 percent to an annual rate of \$663...Further decreases from mid-December to mid-January are indicated.

Farm value of the "market basket" declined from \$345 in November to \$339 in December, or about 2 percent. There has been an over-all decline of more than 10 percent from the July level of \$378. But based on preliminary estimates for January, the decline appears to have halted.

Drop in Farm Workers, From a Year Ago

Due largely to bad weather, fewer persons were working on farms this January than a year ago. All workers (hired and family) totaled 7.4 million compared with 7.8 million a year earlier--about 5 percent decrease. Total in December '48, however, was only 7.2 million. Usually there is a 10 percent increase in hired workers from December to January. This January hired workers numbered 979 thousand, same as in December. (Farm employment by regions and farm wage rates by States and regions will be found in BAE's monthly "Farm Labor" report.)

Civilian Workers Down From Year Ago But Still Higher Than 2 Years Ago

Total U. S. civilian employment in January was 57.4 million, down 2 million from the 59.4 million reported in December but higher than the 57.1 million in January last year. Total now at work is still higher by 2 million workers than the 55.4 million workers reported in January 2 years ago. (Census figures.)

No Change in Prices "Received" and "Paid"

No change was found last month from the previous month in prices received by farmers, nor in prices paid, including interest and taxes. Prices received index remained at 268, same as in December and down 39 points from record high reached in January a year ago. Prices paid, at 248 was same as the revised figure for December and is only 3 index points below the record high reached last August, also January, June and July. The first time since August '39, prices paid index is lower than for same month a year earlier.

Farm Income in '48 Down a Little

Net income realized by farm operators in '48 has been tentatively estimated at 17.4 billion dollars. This is a small decline (about 2 percent) from the 17.8 billion dollars in '47 and is the first drop in 10 years. But this realized net income is more than 3 times the '35-'39 average of \$4.8 million.

Farm marketings, and gross, amounted to more money than in '47 but higher production expenses cut the net to a lower figure.

Net Income Per Farm Person Was Up

The average net income from farming of all persons on farms (includes operators, laborers and others) was \$716--up from '47 because it includes the higher wages paid to farm labor. Earnings of farm people from sources other than farming,

estimated at \$193 per person, brought the average per capita income of farm people to \$909. For purposes of comparison, non-farm people averaged \$1,569 last year. Per capita income of farm people rose 7 percent last year while the rise for non-farm people was 10 percent.

Preliminary Balance Sheet Shows Bigger Assets

U. S. Agricultural Assets January 1 this year, are estimated at about 130 billion dollars compared with 122 billion dollars year earlier and only 54 million on January 1, '40. Much of the increases are "paper" increases--not increases in physical property but higher valuations of the same property. Of the 76 billion dollar increase in farm assets between '40 and '49, more than 50 billion dollars was attributable to higher prices for real estate, livestock, machinery, motor vehicles and crops. But farmers are better off, of course, even if inflated values were "squeezed" out.

Farmers Liquid Assets Hold Steady

Farmers' financial assets (cash and deposits, savings bonds and investments in cooperatives) held up well. Total estimated January 1 was \$22,325 million compared with \$22,261 million year ago and \$4,975 million in '40. Cash and deposits were down a little from a year earlier but were more than offset by increases in savings bonds and investments.

Banks and Insurance Companies Get More of Farmers' Mortgages

More of the farmers' loans are now held by commercial banks, life insurance companies, and other non-Government lenders. Loans held by Federal land banks declined in '48 from \$889 million to \$879 million. Loans held by the Federal Farm Mortgage Corporation declined from \$107 million to \$80 million. And loans held by the Farmers' Home Administration declined to \$189 million--about the level of 2 years earlier. (Excludes nearly 3 million dollars worth of mortgages insured under the Farmers' Home Administration's mortgage insurance program.) These declines in Federal loans were more than offset by a \$301-million increase in loans held by commercial banks, insurance companies and other lenders. The total held by life insurance companies January 1 was estimated at more than a billion dollars; and by commercial banks, about \$880 million dollars.

Wheat and Bread Prices Studied

Farm price of wheat declined 30 percent from January to October '48. During the same time retail flour fell about 15 percent. Retail bread prices, however, did not fall but actually rose a little. This failure of bread prices to respond to the fall in wheat prices increased the attention of farmers and consumers on the cost of marketing. A preliminary research report called "Farm-to-Retail Margins For White Flour and White Bread," by BAE, answers some of the questions. Among the rest, it is pointed out that a large part of the cost of making bread is in salaries and wages, transportation, storage, and packaging. And these are costs which do not change rapidly, but lag behind general price changes. This means the farmer's share of the retail price rises rapidly when prices are going up but falls rapidly when prices are going down.

CURRENT INDEXES FOR AGRICULTURE

INDEX NUMBERS	BASE PERIOD	January 1949
Prices received by farmers	1910-14= 100	268
Prices paid by farmers, interest and taxes	1910-14= 100	248
Parity ratio	1910-14= 100	108
Wholesale prices of food	1910-14= 100	251
Retail prices of food	1910-14= 100	1/ 265
Farm wage rates	1910-14= 100	423
Weekly factory earnings	1910-14= 100	2/ 488
PRODUCTION COMPARISONS		January 1948 January 1949
Milk, (Bil. lb.)	8.3	8.7
Eggs, (Bil.)	4.3	4.6
Beef, (Dr. wt., mil. lb.)	3/ 7535	3/ 6433
Lamb & Mutton (Dr. wt., mil. lb.) .	3/ 717	3/ 665
Pork & Lard (Mil. lb.)	3/ 9439	3/ 9132
All meats (Dr. wt., mil. lb.)	3/ 18595	3/ 17021

1/ December figure.

2/ November figure. Factory payroll per employed worker.

3/ January - December 1948.